

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
CASE NO. 2011-00401 COMMISSION

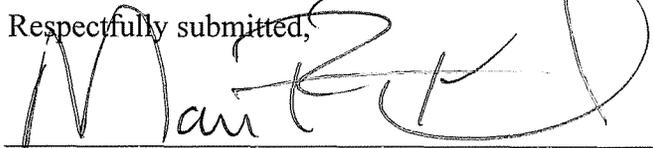
In The Matter Of:

APPLICATION OF KENTUCKY POWER
COMPANY FOR APPROVAL OF ITS
2011 ENVIRONMENTAL COMPLIANCE
PLAN, FOR APPROVAL OF ITS
AMENDED ENVIRONMENTAL COST
RECOVERY SURCHARGE TARIFF, AND
FOR THE GRANTING OF A
CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR
THE CONSTRUCTION AND
ACQUISITION OF RELATED
FACILITIES

Notice of Filing Of Supplemental Response
To Identified Data Request

Kentucky Power Company files its February 28, 2012 Supplemental Response to KIUC
2-15(a). It supplements the Company's February 20, 2012 response to KIUC 2-15(a).

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first class mail upon the following parties of record, this the 28th day of February, 2012.

Michael L. Kurtz
Kurt J. Boehm
Boehm, Kurtz & Lowry
Suite 1510
36 East Seventh Street
Cincinnati, OH 45202

Joe F. Childers
Joe F. Childers & Associates
300 The Lexington Building
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Jennifer Black Hans
Dennis G. Howard II
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Assistant Attorney General
Office for Rate Intervention
P.O. Box 2000
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Kristin Henry
Sierra Club
85 Second Street
San Francisco, CA 94105

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', is written over a horizontal line. The signature is stylized and somewhat cursive.

Mark R. Overstreet

Kentucky Power Company

REQUEST

Refer to the Company's response to Staff 1-45, which addresses the discontinued use of the ESPs.

- a. Please provide the gross plant, accumulated depreciation, and related ADIT of the ESPs at December 31, 2011.
- b. Please provide the annual depreciation rate and annualized depreciation expense on the ESPs using gross plant at December 31, 2011.
- c. Please provide the actual O&M expense for the ESPs by FERC O&M expense account for 2011. Further separate these amounts into fixed, variable, and consumables expense.
- d. Please provide the decommissioning and demolition cost of the ESPs and indicate if these costs are included in the Company's cost estimate for the DFGD projects.

RESPONSE

- a. The detailed ESP gross plant cost and accumulated depreciation is not readily available. Property other than mass Distribution investment in accounts 364-373 is maintained in the Company's continuing property records by record unit where the record unit is defined as the account title (the record unit for account 312, Boiler Plant Equipment is defined as "Boiler Plant Equipment"). Therefore, further detailed categorization of the equipment in this account and other Steam Generation Plant accounts is not available. FERC Order No. 598 permits utility companies to keep their property records at a record unit level and book estimated retirements.

The Company is currently developing an estimate to answer the request; however, it cannot provide the estimate at this time. The Company expects to provide the information in a supplemental response no later than February 24, 2012.

Supplemental Response

The original cost of the ESP installed in 1969 has been fully depreciated. In December 2002, upgrades to the ESP were installed at an original cost of \$15.8M. As of December 2011, the accumulated depreciation on the ESP upgrades was \$5.4M which provides a net book value of \$10.4M. The related ADIT is estimated to be \$3.6M.

- b. The annual depreciation rate for equipment in Steam Production accounts 311-316 is 3.78%. The annualized depreciation expense on the ESP's is not readily available (see the Company's response a. above).
- c. Big Sandy Unit 2 ESP O&M expense for 2011 was \$26,958 under O&M FERC account 5120000. The Company does not classify O&M expenses into fixed or variable, but traditionally it is assumed that 50% of maintenance cost is fixed and 50% is variable.
- d. The Company expects that the precipitator will not be required following the NID technology installation, and therefore would be removed as a part of this project. At this point, the costs of decommissioning and retiring the existing precipitators have not been estimated, although at current market prices the Company anticipates the scrap value will approximate the cost of decommissioning and retiring the ESP.

WITNESS: Ranie K Wohnhas